

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7467

BILL NUMBER: HB 1646

NOTE PREPARED: Apr 29, 2005

BILL AMENDED: Apr 28, 2005

SUBJECT: Viatical Settlements.

FIRST AUTHOR: Rep. Ripley

FIRST SPONSOR: Sen. M. Young

BILL STATUS: Enrolled

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill prohibits certain actions related to viatical settlement contracts. It amends the statute of limitations for certain actions concerning securities violations involving certain viatical settlement contracts. The bill provides for regulation of viatical settlements that involve life insurance that insures the life of any individual. It prohibits certain insurance producer payments related to viatical settlements. It amends the disclosures that must be made to a viator and makes conforming amendments.

Effective Date: Upon passage; July 1, 2005.

Explanation of State Expenditures: The Secretary of State, the Securities Commissioner, a prosecuting attorney, the Attorney General, or a designee of the above, must not take any action against another person solely because a viatical settlement contract or fractional or pooled interest in a viatical settlement contract that was the subject of a transaction in which the other person was involved before March 17, 2000, was not registered. The above must not take any action against another person solely because the other person did not, before March 17, 2000, comply with registration requirements or requirements that apply to a person that offers or sells securities in Indiana if the other person did not at the time of the offer or sale, and before March 17, 2000, offer or sell securities other than a viatical settlement contract or a fractional or pooled interest in a viatical settlement contract. This provision should have no impact on the entities listed.

A viatical settlement provider or viatical settlement broker must not later than the date of application, provide to a viator a brochure approved by the Commissioner and describing the viatical settlement process. The DOI should be able to absorb administrative expenses associated with approving the brochure given its existing resources.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: DOI; Secretary of State; Securities Commissioner; Attorney General.

Local Agencies Affected: Prosecuting Attorneys.

Information Sources: Amy Strati, Acting Commissioner, DOI.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.